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April 9, 2002

Mr. Ed Ginouves  
United States Department of the Interior  
Bureau of Land Management  
176 East DL Sargent Drive  
Cedar City, Utah 84720

m/02/004  
copy Wayne  
Lynn

**RE: Proposed agreement for post reclamation knapweed monitoring and control;  
Escalante Site, Iron County, Utah, BLM file UT-040, 3809: UTU-67116**

Dear Mr. Ginouves:

Per our discussion last week, Hecla has other post reclamation monitoring obligations at its former Escalante Silver Mine, and has been maintaining a knapweed control program in conjunction with those activities. As you are aware, Hecla entered into an agreement with the State of Utah to perform groundwater monitoring through 2010, in lieu of obtaining a groundwater discharge permit. Therefore, the final reclamation of the tailings impoundment access road, and closure of the monitoring wells, cannot occur until 2011. We are also committed to ensuring the success of the re-vegetation effort on the tailing and believe that maintenance of the fence, for a reasonable period of time, to exclude livestock is a key element to achieve this.

Since the site is not staffed, Hecla retains an outside contractor to inspect it once a month and perform maintenance as required, including control of noxious weeds. Given the fact we have not identified a re-occurrence of knapweed since summer of 1998, we believe the current control program is effective.

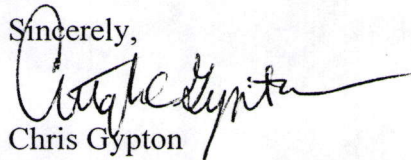
In response to your letter dated August 27, 2001, Hecla's counter offer is as follows:

1. If eradication of knapweed within the permit area is achieved by 2004, the BLM will release Hecla, in writing, from any further liability for control.
2. If eradication within the permit area is not achieved by 2004, Hecla agrees to continue control efforts until either eradication is achieved or the end of 2010, whichever event occurs first. We propose that proof of eradication, in this case, will be indicated by three (3) knapweed free years, after removal of the last plant.

We believe this offer is equitable in that it addresses the BLM's concerns by guaranteeing the maintenance of the currently successful knapweed control program for at least two years, yet provides Hecla with certainty as to when the liabilities associated with this issue will cease.

If you have additional comments please do not hesitate to contact me at (208) 769-4135 or e-mail: [cgypton@hecla-mining.com](mailto:cgypton@hecla-mining.com)

Sincerely,



Chris Gypton  
Project Manager

Cc: D. Wayne Hedberg - UDOGM